



**SAN LUIS OBISPO
LOCAL AGENCY FORMATION COMMISSION
APRIL 20, 2023, MEETING MINUTES**

Call to Order

The San Luis Obispo Local Agency Formation Commission (LAFCO) meeting was called to order at 9:00 a.m. on Thursday, April 20, 2023, by Chairperson Ed Waage in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo, California.

Roll Call

Present: Chairperson Ed Waage, Vice-Chair Debbie Arnold, Commissioners Robert Enns and Jimmy Paulding, and Alternate Commissioners Ed Eby and David Watson

Absent: Commissioners Steve Gregory, Heather Jensen, and Marshall Ochylski, and Alternate Commissioners Charles Bourbeau and Dawn Ortiz-Legg

Staff: Rob Fitzroy, LAFCO Executive Officer
Imelda Marquez-Vawter, LAFCO Analyst
Morgan Bing, LAFCO Clerk Analyst
Brian Pierik, LAFCO Legal Counsel

Selection of the 2023 Chair and Vice-Chair

Chairperson Waage asked for a motion to nominate Chair for 2023.

Chairperson Waage nominated **Vice-Chair Arnold** as Chair of the Commission for 2023.

Commissioner Paulding seconded the motion.

Chairperson Waage opened the item for public comment, announcing it was closed shortly after hearing none.

AYES: Chairperson Waage, Commissioners Paulding, Eby, Enns, Watson, and Vice-Chair Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

Chairperson Waage explained that the Public member has chosen to defer their position as Vice-Chair to the Special District member and recommended postponement of the selection of

the 2023 Vice-Chair until the meeting of May 18, 2023, when both Special District members will be present.

Presentation of a Certificate of Appreciation to Chair Ed Waage for his service as Chair

Mr. Fitzroy presented **Commissioner Waage** with a Certificate of Appreciation for his service as Chair in 2022.

New Commissioners / Elections Updates

Mr. Fitzroy welcomed Commissioner Paulding to the Commission, provided updates in regard to the Special District elections, and announced Commissioner Ochylski and Alternate Commissioner Eby's reelections.

Approval of the Minutes: December 15, 2022

Chairperson Arnold announced the consideration of approval for the December 15, 2022, Regular Meeting Minutes.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner comments or a motion to approve the minutes.

Commissioner Watson motioned to approve the minutes.

Commissioner Waage seconded the motion.

AYES: Commissioners Watson, Waage, Eby, and Chairperson Arnold

NAYS: None

ABSTAINING: Commissioner Paulding

NOTE: Commissioner Enns was unintentionally omitted from the roll call vote.

The motion was passed.

Non-Agenda Public Comment Period

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Consent Agenda

A-1: Second Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report (Recommend Review and Approve)

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner motion to approve the Second Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report.

Commissioner Waage motioned to approve staff recommendation.

Commissioner Paulding seconded the motion.

AYES: Commissioner Waage, Paulding, Eby, Watson, and Chairperson Arnold

NAYS: None

ABSTAINING: None

NOTE: Commissioner Enns was unintentionally omitted from the roll call vote.

The motion was passed.

Informational Matters

B-1: Notice of Petition of Landowner Application for LAFCO File No. 1-R-23 Sphere of Influence Amendment and Annexation No. 4 to County Service Area 12 (Recommend Receive and File)

Ms. Bing presented the item.

Chairperson Arnold opened the item for Commissioner questions.

Commissioner Watson asked if the project has been referred to CSA 12 and if they have responded.

Mr. Fitzroy confirmed referral of this project to CSA 12 and responded that no response has been received to date.

Commissioner Watson asked for clarification on the 60-day termination period process.

Mr. Fitzroy provided clarification.

Commissioner Paulding asked staff to update commissioner names on the staff report.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold announced the item was received and filed.

Regular Matters

C-1: LAFCO File No. 1-R-22 Annexation #12 to County Service Area 18 (Windmill Way) One-Year Time Extension Request to Allow Additional Time for Condition Compliance (Recommend Review and Approve)

Mrs. Marquez-Vawter presented the item.

Chairperson Arnold opened the item for Commissioner questions.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner motion to approve a one-year time extension for LAFCO File No. 1-R-22 to comply with required Conditions of Approval as established by LAFCO Resolution 2022-08.

Commissioner Waage motioned to approve staff recommendation.

Commissioner Watson seconded the motion.

AYES: Commissioner Waage, Watson, Enns, Eby, Paulding, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

C-2: Comprehensive Application Update and Minor Fee Schedule Update (Recommend Review and Approve)

Mr. Fitzroy presented the item.

Chairperson Arnold opened the item for Commissioner questions.

Commissioner Waage shared appreciation for the work effort.

Commissioner Watson commented on the application and inquired about use of outside consulting.

Mr. Fitzroy replied and recommended further discussion during Item C-4.

Commissioner Enns complimented staff effort.

Chairperson Arnold thanked staff.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner motion to approve the proposed Comprehensive Application Update and Minor Fee Schedule Update.

Commissioner Enns motioned to approve staff recommendation.

Commissioner Watson seconded the motion.

AYES: Commissioner Enns, Watson, Eby, Paulding, Waage, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

C-3: LAFCO File No. 3-S-23 Municipal Service Review and Sphere of Influence Study for Heritage Ranch Community Services District (Recommend Review and Approve)

Mr. Fitzroy and **Mrs. Marquez-Vawter** presented the item.

Commissioner Enns asked for clarification regarding future water demand.

Mrs. Marquez-Vawter responded to questions and provided comment.

Mr. Fitzroy added that the General Manager of Heritage Ranch Community Services District, **Scott Duffield**, was in attendance and would be available for questions.

Mrs. Marquez-Vawter continued presenting the item.

Chairperson Arnold opened the item for Commissioner questions and invited **Scott Duffield** to the podium.

Scott Duffield, the General Manager of Heritage Ranch Community Services District, thanked staff and provided comment on future water demand and supply.

Commissioner Watson inquired about the timeline of the wastewater rate study.

Scott Duffield responded to questions and provided comment.

Commissioner Paulding asked about rationale for recommending deactivation of latent powers.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Arnold inquired about wildland fire mapping in Heritage Ranch Community Services District.

Scott Duffield responded to questions and provided comment.

Commissioner Eby asked about shortfall in future water supply.

Scott Duffield responded to questions and provided comment.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner motion to approve the first action which finds the project to be exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15061(b)(3).

Commissioner Paulding motioned to approve the first action.

Commissioner Waage seconded the motion.

AYES: Commissioner Paulding, Waage, Enns, Eby, Watson, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

Chairperson Arnold asked for Commissioner motion to approve the second action to approve by resolution the Heritage Ranch Community Services District Municipal Service Review and Sphere of Influence Study.

Commissioner Paulding motioned to approve the second action.

Commissioner Waage seconded the motion.

AYES: Commissioner Paulding, Waage, Enns, Eby, Watson, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

C-4: Third Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report (Recommend Review and Approve)

Mr. Fitzroy presented the item.

Chairperson Arnold opened the item for Commissioner questions.

Commissioner Watson inquired about use of outside consultants.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Waage commented on the addition of the Clerk Analyst position and asked about timing on the Oceano Community Services District Divestiture of Fire Authority application.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Paulding alerted staff to potential inquiries regarding merger between the City of Grover Beach and Oceano Community Services District and thanked staff for providing a memo related to the merger process.

Mr. Fitzroy provided comment.

Chairperson Arnold opened the item for public comment, announcing it was closed shortly after hearing none.

Chairperson Arnold asked for Commissioner motion to approve the Third Quarter Fiscal Year 2022-2023 Budget Status and Work Plan Report

Commissioner Watson motioned to approve staff recommendation.

Commissioner Waage seconded the motion.

AYES: Commissioner Watson, Waage, Enns, Eby, Paulding, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

C-5: Proposed Fiscal Year 2023-2024 Budget and Work Plan (Recommend Review and Approve)

Mr. Fitzroy presented the item.

Chairperson Arnold opened the item for Commissioner questions.

Commissioner Waage asked about financial health of Special Districts.

Mr. Fitzroy responded to questions and provided comment.

Commissioner Eby inquired about interest rates on reserve funds.

Mr. Fitzroy responded to questions and provided comment.

Chairperson Arnold opened the item for public comment.

Public Comment

Mark Miller, resident of Cayucos, provided comment on the financial audit and formation of the Cayucos Sanitary District Reorganization.

Public Comment Closed

Mr. Fitzroy responded to questions and provided comment.

Commissioner Enns provided comment regarding the Cayucos Sanitary District Reorganization.

Commissioner Waage provided comment regarding the financial audit.

Chairperson Arnold asked for Commissioner motion to approve the first action to approve the Proposed Fiscal Year 2023-2024 Budget and Work Plan.

Commissioner Waage motioned to approve the first action.

Commissioner Enns seconded the motion.

AYES: Commissioner Waage, Enns, Eby, Paulding, Watson, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

Chairperson Arnold asked for Commissioner motion to approve the second action which directs the Executive Officer to distribute the Proposed Budget and Work Plan to contributing agencies per the Cortese Knox Hertzberg Act, and set the Final Budget and Work Plan hearing for May 18, 2023.

Commissioner Waage motioned to approve the second action.

Commissioner Paulding seconded the motion.

AYES: Commissioner Waage, Paulding, Enns, Eby, Watson, and Chairperson Arnold

NAYS: None

ABSTAINING: None

The motion was passed.

Commissioner Comments: **Commissioner Enns, Paulding, Watson, Waage, and Chairperson Arnold** provided comment and thanked staff.

Legal Counsel Comments: None

Executive Officer Comments: **Mr. Fitzroy** thanked Commissioners and provided comment regarding future commission meetings.

Adjournment: With no further business before the Commission, the meeting adjourned at 10:42 a.m. until the next meeting of the Commission in the Board of Supervisors Chambers at the County Government Center in San Luis Obispo.

Respectfully submitted,
Morgan Bing, LAFCO Clerk Analyst